

MEMORANDUM

TO: Chief Financial Officers
All State Departments and Agencies

FROM: Michael J. Moody, Director
Office of Financial Management

Kathryn T. Jones, Director
Acquisition Services

DATE: October 7, 2002

SUBJECT: Supplemental Guidance Related to the Uniform Accounting and Reporting for Contracting Agreements and Related Expenditures

We are writing to provide you with a revision related to the continued implementation of the Statewide Policy for Uniform Accounting and Reporting for Contractual Agreements and Related Expenditures (September 1997).

Effective with FY 2002-2003 contracting activity, the Office of Financial Management (OFM) and Acquisition Services (AS) directive for recording contracts in the Michigan Administrative Information System (MAIN) will exclude contractual arrangements for grants provided by State programs (typically money awarded to local units of governments and non-profit agencies that is formalized through a contract with the recipient). This new exclusion, which is limited to those contracts negotiated under departmental authority to issue "grants" (Commodity Code 946-62), is intended to address workload concerns for those departments that rely primarily on subsidiary systems to produce necessary data for this category of State spending. Departments not recording these contracts in the Michigan Administrative Information Network (MAIN) will be required to compile necessary contract/spending data from their subsidiary systems when needed.

We appreciate the efforts of you and your staff as we continue to implement these important requirements to monitor and report upon our contracting activities. If you have any additional questions, please contact Mr. Steven R. Stier, Director of the Technical, Audit, and Business Services Division of the Office of Financial Management at 373-4010.

Attachment

cc: Appointing Authorities
Procurement Officers